BTEC Assignment Brief

Qualification	Pearson BTEC Level 3 International Subsidiary Diploma in Business Pearson BTEC Level 3 International Foundation Diploma in Business Pearson BTEC Level 3 International Diploma in Business Pearson BTEC Level 3 International Extended Diploma in Business
Unit number and title	**Unit 12: Financial Statements for Specific Businesses**
Learning aim(s)	**A:** Understand different types of businesses and their capital structure **B:** Examine the end-of-year financial statements for partnerships **C:** Explore the end-of-year financial statements for non-profit-making organisations
Assignment title	Different types of businesses to include partnerships and non-profit making businesses
Assessor	
Issue date	
Hand in deadline	

Vocational Scenario or Context	You have been researching the financial world and the many career opportunities available. You have discovered that all companies, across every industry, will need someone who is good with numbers, and you are interested in working in finance. You are working to improve your finance skills and are currently on work experience at an accountancy firm as a trainee accounts assistant. You have been given a case study with data on a partnership and a non-profit making business to work with.

Task 1	Your first task is to show your knowledge of different types of businesses and their capital structure, in particular partnerships and non-profit-making businesses by writing a magazine article. This article should show your independent research and knowledge, and be in three parts. The introduction must include examples of differing types of businesses and explain and assess the merits and drawbacks of the: ● ownership

	● capital structure ● legal requirements The body of the article must describe the activities of each of these businesses. The article must conclude with an evaluation and justification of how suitable the different types of business are for each of the given business activities.
Task 2	Your second task is to look at a partnership business and a non-profit-making organisation. **Partnership Business** Firstly, using the data supplied, you must complete accounting adjustments and the end of year financial statements for a partnership business. The statements must include: ● a statement of comprehensive income ● an appropriation account ● a statement of financial position You must incorporate appropriate adjustments such as: ● depreciation ● accrued and prepaid expenses and revenues ● bad debts ● loan interest ● interest on partners' capital ● interest on partners' drawings ● partners' salaries and show the calculation and treatment of goodwill and the revaluation of assets from changes to partnerships such as: ● a new partner joining ● a partner leaving ● revaluation of assets ● a change in the profit and loss sharing ratio. **Non-Profit-Making Organisations** Prepare a document that analyses the importance of non-profit-making organisations. This must include the importance to: ● the wider economic environment ● the social environment ● key stakeholders (individuals, groups in society, the government, business, local community). Next, using the data supplied, complete the end-of-year financial statements for a non-profit-making organisation, incorporating appropriate adjustments and using relevant accounting concepts. The statements must include: ● A statement of comprehensive income (trading

	account) ● An income and expenditure account ● A statement of financial position (balance sheet) **Accounting Concepts** Finally write a report that evaluates the relevant accounting concepts used in the completion of financial statements for partnerships and non-profit-making organisations. You must use information and data from the end of year financial statements you have prepared to illustrate this report.
Checklist of evidence required	Individual reports Financial statements Research logs

Criteria covered by this task:	
Unit/Criteria reference	To achieve the criteria you must show that you are able to:
12/A.D1	Evaluate how suitable the different types of business are for given business activities, providing justification.
12/BC.D2	Evaluate the relevant accounting concepts used in the completion of financial statements for partnerships and non-profit-making organisations.
12/A.M1	Assess the merits and drawbacks of the different types of business, capital structure and legal requirements.
12/B.M2	Prepare the accounting entries to record goodwill for changes to a partnership.
12/C.M3	Analyse the importance of non-profit-making organisations.
12/A.P1	Explain the ownership, capital structure and legal requirements of the different types of business.
12/A.P2	Describe examples of suitable business activity for the differing types of business.
12/B.P3	Prepare end-of-year financial statements for partnerships, incorporating appropriate adjustments.
12/C.P4	Complete end-of-year financial statements for non-profit-making organisations, incorporating appropriate adjustments.

Sources of information to support you with this Assignment	**Websites** www.businesscasestudies.co.uk The Times 100 has economics and business case studies. The site also has a selection of theory notes aimed at learners. http://accounting-simplified.com/financial/statements/types.html This website has free financial accounting tutorials. **Above are some examples of websites. Further useful resources may be found at www.edexcel.com/resources/Pages/default.aspx**